

Preservatives used for drying hay may qualify for the farm chemical exemption. See 86 Ill. Adm. Code 130.1955. (This is a GIL.)

May 17, 2007

Dear Xxxxx:

This letter is in response to your letter dated July 12, 2006, in which you request information. We apologize for the delay in responding to your inquiry. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

ABC, which represents equipment dealerships in Illinois, is asking for a letter ruling on Liquid Preservative for Hay.

The product is a liquid preservative that is placed in an attachment on a hay baler. When the hay baler is in operation, the liquid preservative drips onto the hay that preserves the hay for an extended period of time. We would like to know if this liquid preservative under Illinois Administrative Code, Chapter 1, Section 130.305 classifies for exemption.

If further information is needed please contact me.

DEPARTMENT'S RESPONSE:

Regarding preservatives used for drying hay, this product may qualify for the farm chemical exemption described in the Department's administrative rules at 86 Ill. Adm. Code 130.1955. It is important to remember that in order to qualify for the farm chemical exemption the chemical must be used in production agriculture, the products of which are to be sold, or in the production or care of animals that are to be sold or the products of which are to be sold. See Section 130.1955(b).

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Terry D. Charlton
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TDC:msk